

AMENDED IN ASSEMBLY APRIL 23, 2013

AMENDED IN ASSEMBLY APRIL 9, 2013

AMENDED IN ASSEMBLY MARCH 21, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1295

Introduced by Assembly Member Roger Hernández

February 22, 2013

An act to add and repeal Chapter 7.6 (commencing with Section 2831) of Part 2 of Division 1 of the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL’S DIGEST

AB 1295, as amended, Roger Hernández. Public utilities: renewable energy: community renewables option.

Under existing law, the Public Utilities Commission has regulatory jurisdiction over public utilities, including electrical corporations, as defined, while local publicly owned electric utilities, as defined, are under the direction of their governing boards. Existing law authorizes the commission to fix the rates and charges for every public utility, and requires that those rates and charges be just and reasonable. Under existing law, the local government renewable energy self-generation program authorizes a local government, as defined, to receive a bill credit, as defined, to be applied to a designated benefiting account for electricity exported to the electrical grid by an eligible renewable generating facility, as defined, and requires the commission to adopt a rate tariff for the benefiting account.

The California Renewables Portfolio Standard Program, referred to as the RPS program, requires a retail seller of electricity, as defined,

and local publicly owned electric utilities to purchase specified minimum quantities of electricity products from eligible renewable energy resources, as defined, for specified compliance periods, sufficient to ensure that the procurement of electricity products from eligible renewable energy resources achieves 20% of retail sales for the period January 1, 2011, to December 31, 2013, inclusive, 25% of retail sales by December 31, 2016, and 33% of retail sales by December 31, 2020, and in all subsequent years. The RPS program, consistent with the goals of procuring the least-cost and best-fit eligible renewable energy resources that meet project viability principles, requires that all retail sellers procure a balanced portfolio of electricity products from eligible renewable energy resources, as specified.

This bill would require an electrical corporation to include provisions in its tariff and addenda to a standard contract or allow an electrical generation facility, as defined, to participate in the community renewables option that would allow the facility to assign the payment by the electrical corporation due to that facility to a subscribing customer, as defined, in the form of a bill credit. *The bill would require the commission to authorize the tariff by July 1, 2014.* The bill would, on and after January 1, 2016, require the commission to evaluate the demand for the community renewables option. If the commission finds that the community renewables option should be discontinued, the bill would make the above provisions inoperative. ~~The bill would require authorize a local publicly owned utility, by July 1, 2015, to offer a comparable community renewables option and would require the governing board of the local publicly owned utility to review and approve the community renewables option.~~ This bill would repeal the provision of the community renewables option on January 1, 2020.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Chapter 7.6 (commencing with Section 2831) is
2 added to Part 2 of Division 1 of the Public Utilities Code, to read:

3

4 CHAPTER 7.6. COMMUNITY RENEWABLES FACILITY

5

6 2831. As used in this article, the following terms mean the
7 following:

1 (a) “Community renewables facility” means an electric
2 generation facility that has elected to participate in the community
3 renewables option.

4 (b) “Community renewables option” means the right of an
5 electric generation facility to assign the payment by the electrical
6 corporation due to that facility in accordance with this article to
7 subscribing customers of the electrical corporation in the form of
8 a bill credit.

9 (c) “Electric generation facility” means an electric generation
10 facility located within the service territory of, and developed to
11 sell electricity to, an electrical corporation that meets all of the
12 following criteria:

13 (1) Has an effective capacity of not more than three megawatts.

14 (2) Is interconnected and operates in parallel with the electrical
15 transmission and distribution grid.

16 (3) Is strategically located and interconnected to the electrical
17 transmission and distribution grid in a manner that optimizes the
18 deliverability of electricity generated at the facility to load centers.

19 (4) Is an eligible renewable energy resource, as defined in
20 Section 399.12.

21 (5) Meets all the requirements established pursuant to Section
22 399.20 that are applicable to electric generation facilities.

23 (d) “Feed-in tariff payment” means the payment that is due to
24 the electric generation facility in accordance with the tariff or
25 standard contract established pursuant to Section 399.20 as
26 described in a monthly total payment.

27 (e) “Subscribing customer” means a customer of an electrical
28 corporation who has subscribed to the output of a community
29 renewables facility.

30 (f) “Subscription amount” means the percentage of kilowatthours
31 delivered to an electrical corporation from a community renewables
32 facility to which a subscribing customer has subscribed.

33 (g) “Unsubscribed output” means the percentage of
34 kilowatthours delivered to an electrical corporation from a
35 community renewables facility to which no subscribing customer
36 has subscribed.

37 2831.5. A community renewables facility is not an electrical
38 corporation, as defined in Section 218 or an electric service
39 provider, as defined in Section 218.3.

2832. (a) An electrical corporation shall include provisions in its tariff and an addendum to a standard contract developed pursuant to Section 399.20 to provide for a community renewables option allowing a community renewables facility to assign the payment of electricity, *adjusted to remove the value of any renewable attributes if the customer elects to retain the renewable attributes*, by the electrical corporation due to that facility to a subscribing customer in the form of a bill credit.

(b) The subscribing customer's bill credit shall be calculated as the feed-in tariff payment multiplied by the customer's subscription amount.

(c) In approving the tariff, the commission shall ensure all of the following:

(1) Customers that do not participate in the community renewables option are indifferent to whether other customers participate in the community renewables option, and no costs are shifted from subscribing customers to nonsubscribing customers.

(2) An electric generation facility that has executed a standard contract with an electrical corporation and has begun deliveries pursuant to the contract may, in its sole discretion, elect to become a community renewables facility.

(3) (A) The community renewables facility is solely responsible for any and all arrangements, agreements, or disputes with its subscribing customers concerning the community renewables option. The community renewables facility shall communicate, in writing, to the electrical corporation, in a timely manner, to be specified in the electrical corporation's tariff and contract addendum described in subdivision (c), but not less than once per year, information necessary for the electrical corporation to make payment under the standard contract and addendum to the standard contract that, ~~include~~, *includes*, but is not limited to, all of the following:

(i) The name of each subscribing customer.

(ii) The service address and service account number of each subscribing customer to which a bill credit should be applied.

(iii) Each subscribing customer's subscription amount.

(iv) The unsubscribed output, if any, for which payment should be made directly to the community renewables facility.

1 (B) The electrical corporation shall not be a party to an
2 arrangement or agreement between the community renewables
3 facility and the subscribing customer.

4 (4) The electrical corporation shall continue to bill subscribing
5 customers for all electricity consumed pursuant to each subscribing
6 customer's otherwise applicable tariff. The payments made to a
7 subscribing customer in the form of a bill credit shall be applied
8 to the subscribing customer's monthly bill calculated pursuant to
9 the customer's otherwise applicable tariff.

10 (5) The electrical corporation shall pay the community
11 renewables facility for any unsubscribed output by multiplying
12 the unsubscribed output by the feed-in tariff payment.

13 (6) All electricity purchases by an electrical corporation pursuant
14 to this section shall be credited towards the electrical corporation's
15 procurement requirements pursuant to Section 399.15 and shall
16 count toward the electrical corporation's proportionate share of
17 the statewide cap specified in Section 399.20.

18 (d) ~~The~~ *No later than July 1, 2014, the commission shall not*
19 *authorize the tariff for the community renewables option until it*
20 *has adopted the tariff consistent with this section.*

21 (e) Notwithstanding paragraphs (1) and (5) of subdivision (c)
22 of Section 2831, the commission may allow the renewable
23 programs adopted by the commission in commission decisions
24 10-12-048 and 09-06-049 to include a community renewables
25 option if the community renewable option meets the requirements
26 of subdivision (c). If the commission elects to establish a
27 community renewables option pursuant to this subdivision, the
28 subscribing customer's monthly bill credit shall be calculated as
29 the amount that would be otherwise be paid to the participating
30 renewable generator in accordance with the power purchase
31 contract between the utility and the renewable generator multiplied
32 by the customer's subscription amount, and all purchases pursuant
33 to this subdivision shall count towards the electrical corporation's
34 proportional share of the program's cap.

35 (f) An electrical corporation shall recover from the community
36 renewables facility any costs of implementing the community
37 renewables option reasonably attributable to the community
38 facility. Any implementation costs not reasonably attributable to
39 the community renewables facility shall be recovered from the
40 ratepayers, as determined by the commission.

1 (g) If a customer participates in direct transactions pursuant to
2 paragraph (1) of subdivision (b) of Section 365 or Section 365.1,
3 the electrical corporation that provides distribution service for the
4 customer is not obligated to allow that customer to participate in
5 a community renewables option.

6 (h) On or before July 1, 2015, an energy service provider or
7 community choice aggregator shall offer a comparable community
8 renewables option of eligible renewable energy resources as
9 defined in Section 399.12 in accordance with the procurement
10 practices of that load serving entity. The commission shall review
11 and approve the community renewables option proposed by the
12 load serving entity to ensure that it is comparable to the
13 requirements specified in subdivision (c).

14 (i) (1) On and after January 1, 2016, the commission shall
15 evaluate the demand for the community renewables option and
16 consider whether to continue offering a community renewables
17 option.

18 (2) If the commission determines that the community renewables
19 option should terminate, the commission shall issue an order to
20 that effect and deliver a copy of the order to the Secretary of State.
21 The section shall become inoperative on the effective date of the
22 order.

23 ~~2832.5. On or before July 1, 2015, a local publicly owned~~
24 ~~electric utility required to comply with Section 399.32 shall may~~
25 ~~offer a comparable community renewables option for an electric~~
26 ~~generation facility as defined in Section 399.32. The governing~~
27 ~~board of the local publicly owned electric utility shall review and~~
28 ~~approve the community renewables option.~~

29 2833. This chapter shall remain in effect only until January 1,
30 2020, and as of that date is repealed, unless a later enacted statute,
31 that is enacted before January 1, 2020, deletes or extends that date.